**Update on the University Pension Plan (Ontario) – Should we join it?**

**Ihor Stebelsky**

The **UPP Joint Ad-hoc Sub-committee** was created jointly by the University of Windsor Administration and the Windsor University Faculty Associationto study the advisability of joining the University Pension Plan (Ontario). Its membership was evenly divided between the administration (4) and the faculty association (4), and one WURA member, later amended to add a second WURA representative, Dr. Gordon Drake. Here is a summary of its work and findings up to its final meeting on Tuesday, June 18, 2024.

**At the inaugural meeting (July 21, 2023),** we reviewed the potential opportunities offered by the UPP in comparison to our present plan**.**

**We noted two main differences** between the University of Windsor ‘Retirement Plan for Faculty and Certain Employees’ ([Restated Faculty Text 2003 (uwindsor.ca)](https://www.uwindsor.ca/humanresources/sites/uwindsor.ca.humanresources/files/restated_faculty_text_2003_0_0.pdf)) and the UPP ([Plan Basics - My UPP](https://myupp.ca/members/plan-basics/)).

1. **Ours is administered by the University of Windsor**, which also serves as a fiduciary.

**The UPP is based in Toronto**; it is a Jointly Sponsored Pension Plan, which means that its viability rests with both the sponsoring Universities and their employees.

1. **Ours is a hybrid plan** consisting of two components: the **Money Purchase** Pension and the Supplemental (if necessary) to reach the **Minimum Guaranteed Benefit** – at least a Defined Benefit Pension. It also allows for Additional Voluntary Contributions.

**The UPP is strictly a Defined Benefit Pension Plan**; Additional Voluntary Contributions are not allowed.

**The Sub-committee’s goal** and guiding principles for the project were established: to analyze our pension plan versus the opportunity (UPP) and assess what the stakeholders might lose or gain in the move.

**At the second meeting (**September 12, 2023), we discussed and allocated tasks: our subcommittee terms of reference (Heisz/Lanoszka), governance analysis of UPP vs U of Windsor (Yeung), and actuarial support for the committee’s cost/benefit analysis and assessment (Heisz/Grondin).

**At the third meeting** (Friday, October 6, 2023), we reviewed and compared the UPP Service and Operations to those at Windsor, with presentations from Mr. Yeung (on UPP) and Ms. Paglione (on Windsor).

The UPP member service model indicated 2 primary channels and 6 limited secondary channels, with in-person appointment as last resort.

At the University of Windsor, in-person appointments were routine until COVID forced participants to remote (Teams) meetings.

Regarding the UPP governance, Mr. Yeung circulated his questions to UPP for us to supplement or amend.

**Visit of the UPP team to Windsor (**Friday, October 27, 2023).

The UPP team, including the UPP President and CEO Barbara Zvan, presented their competencies and advantages of the UPP. It was a glowing sales pitch. We asked some questions of concern which were addressed in general terms, but details required follow-up inquiry.

**Our fourth meeting** (Tuesday, December 5, 2023) focused on the follow-up from the UPP visit (October 27). We were disappointed that our follow-up queries were answered with marketing information instead of documents. Mr. Yeung managed to ferret out documents, summarized the UPP Plan Design and Provisions in comparison to ours and outlined the UPP Investment Capabilities and Environmental, Social and Governance Initiatives.

**At our fifth/final meeting** (Tuesday, June 18, 2024), Thomas Grondin guided us through his 2 summary tables estimating transition costs and valuation from the Windsor Pension Plan to the University Pension Plan. The first table used numbers based on the Mercer assumptions (Brad Duce, Actuary, Mercer [was available online]). The second table was based on Grondin’s assumptions.

Whichever assumptions one makes, it would require employee increase in contributions to move to a richer plan. Since there would be some increases and some decreases in benefits, this would not be a pure loss.

Further discussion emphasized two points. First, there was general agreement among the WUFA and WURA representatives that the loss of the hybrid structure with its money-purchase component (an additional benefit to the retiree, if and when it rises above the guaranteed minimum) would be a serious concern. Second, that a move to the UPP would mean a loss of local control of the plan.

The next step will be the production of a final ‘discussion paper’ for deliberation at a ‘town hall’ meeting, to be scheduled in fall, 2024.